Substandard samples of Indian-made foreign liquor

3351. DR. SANJAYA SINH: Will the Minister of, FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item, published in the Sunday dated the 28th January, 1995 under the heading 'Haunted by spirit';

(b) if so, what is the reaction of Government thereto;

(c) whether it is a fact that during the period from 1st January, 1994 to 31st March, 1994, 183 samples of Indian Made 'Foreign Liquor (IMFL) out of 1589 were found to be substandard;

(d) if so, what are the reasons for doing away with the testing of IMFL which is Sold in the Capital by Government shops; and

(e) whether Government's permission was obtained by the Government of National Capital Territory of Delhi before doing away with the testing of IMFL and if not, what are the reasons therefor and the action Government propose to take against the Government of Delhi?

THE MINISTER OF STATE IN THE MINISTRY, OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Yes, Sir; the newspaper report has come to the notice of Government of the National Capital Territory of Delhi.

Between 1st January, 1994 and 31st March 1994, 1022 samples of Indian Made. Foreign Liquor (IMFL) were tested and 102 samples found not conforming to ISI specification. It was also, noted that under the Punjab Excise Act, 1914, as extended NCT of Delhi, and Rules framed (hereunder there was no legal sanction for compulsory testing of IMFL imported into Delhi . Further, every consignment|batch of IMFL imported into Delhi has to be accompanied by a chemical analysis report to the effect that ISI specifications are met with. It was, therefore, decided by the Government of NCT of Delhi that unless there was specific reason for not honouring these test reports, compulsory testing of each and every batch|consignment of IMFL should be done away with. However, the Excise authorities are otherwise competent to order testing of any batch|consignment of IMFL as and when doubt arises.

(e) The Government of NCT of Delhi is competent to exercise supervision and control over the transferred subjects and Excise is one of the transferred Subjects. Hence, they do not require to take approval of the Government of India.

Government's borrowing and liabilities

3352. SHRIMATI MALTI SHARMA. Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to raise an amount of Rs. 52643 crore througn borrowing and other Liabilities during the financial year 1995-96:

(b) whether it is a fact that an amount of Rs. 52000 crore is proposed to be paid as interest on loan and liability: and

(c) if so. in what manner Government can claim good health of the economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The total borrowing reqirements of Government from all sources, i.e.. the fiscal deficit according to the Budget Estimates for 1995-96 is Rs. 57634 crores.

(b) Yes. Sir.

(c) Finance Minister in his Budget speech for 1995-96 has already mentioned that the economy is showing strong growth" in agricultural and industrial output, a strong revival of domestic industrial investment, a steady increase in foreign direct investment, renewed growth

of employment and confortable foreign exchange position, and in this background the projected fiscal deficit can be absorbed, if the existing growth momentum is maintained,

Implication of internal borrowings on the economy

3353. SHRIMATI MALTI SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that borrowings and other liabilities constitute 28 per cent of the total receipts and the interest liability thereon is 26 per cent;

(b) if so, the modalities framed to realise internal borrowings and the implications thereof on the economy as a whole; and

(c) whether Government propose to disinvest shares of more PSUs in near future, if so, the details thereof, undertaking-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The borrowings and other liabilities constitute 31.5 per cent of the total receipts in Budget Estimate 1995.96 and the interest liability works out to 31.1 per cent thereof.

(b) Internal borrowings are proposed to be raised through market loans, small savings, Provident Fund, etc. As indicated in the Finance Minister's Budget Speech for 1995-96, the fiscal deficit of the order of Rs. 57634 crore in Budget Estimate 1995-96 can be absorbed if the existing growth momentum is maintained.

(c) Budget Estimate 1995-96 assumes a receipt of Rs. 7000 crore on account of disinvestment of equity holdings in Public Sector Enterprises. P.S.U. wise details have not yet been finalised.

Chief Ministers going abroad and striking deals with foreign companies

3354, SHRI K.R. MALKANI: Will the Minister of FINANCE be pleased to state: - -

(a) whether it is a fact that Chief Ministers are going abroad and are striking deals with foreign companies.

(b) whether they are not making financial and other commitments;

(c) how far Government of India is consulted by the respective. State Governments in this respect; and

(d) whether it amounts to diminution of Central powers with respect to Union, List subjects like foreign trade, foreign exchange etc.?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE *(SHRI* M. V. CHANDRASHEKARA MURTHY): (a) to (d) As a consequence of the reform process initiated in mid 1991, there is a growing awareness at the level of the State Governments of the need to attract investment flows, both domestic and foreign, so as to bridge the savings-investment gap. As a natural consequence, State Governments have been engaging prospective investors in a dialogue. All foreign investment proposals ultimately require the approval of the Central Government or the RBI, as applicable, in conformity with the Industrial policy announcement and FERA Provisions and other mandatory approval requirements of the Central Government.

Tax dues against Harshad Mehta

3355. SHRI JAGESH DESRI: Will the Minister of FINANCE be pleased to satte:

(a) the total tax dues from the share-broker Shri Harshad Mehta till now in the security related Scam case;

(b) the steps taken by Government to recover the same;